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December 1957
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The DEMAND and PRICE SITUATION

DPS-36

AMS

Approved by the Outlook and Situation Board, December 18, 1957

SUMMARY

Prices received by farmers rose nearly 1 percent in the month ended in mid-November, after declining 3 percent from August to October. In November they averaged 3 percent above a year earlier. Prices paid by farmers also averaged 3 percent above a year ago, and the parity ratio of 81 in November was the same as a year earlier. Price prospects for major farm products indicate that prices received by farmers this winter will continue to average above year earlier levels.

Livestock product prices in November averaged more than a tenth above a year earlier. Meat animal prices were a fifth higher in response to slightly smaller marketings and a strong consumer demand for meat. Cattle and hog prices were up 22 and 17 percent respectively. In November and early December big supplies of wet grains have delayed marketings and have temporarily strengthened both fed cattle and hog prices.

Crop production in 1957 matches the previous records in 1956 and 1948 despite delayed plantings and poor harvesting weather. Cotton is an exception, however with the crop now estimated at

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UNITED STATES DEPARTMENT OF AGRICULTURE

ECONOMIC FACTORS AFFECTING AGRICULTURE

Item	Unit or base period	1956 Year	1956 Nov.	1957 Aug.	1957 Sept.	1957 Oct.	1957 Nov.
Industrial production: Seasonally adj. 1/							
Total	1947-49=100	143	146	145	144	141	139
All manufactures	do.	144	147	147	146	142	141
Durable goods	do.	159	165	162	159	154	153
Nondurable goods	do.	129	129	131	132	130	128
Minerals	do.	129	130	129	128	127	124
Construction:							
Total outlays, seasonally adjusted 2/	Mil. dol.	46,060	3,894	3,942	3,978	4,041	4,045
Private residential	Mil. dol.	17,632	1,468	1,377	1,392	1,407	1,424
Housing starts 3/ 4/	Thousands	1,118	1,027	1,056	990	1,000	1,010
Construction contracts awarded 5/	Mil. dol.		2,377	2,818	2,625	2,614	
Manufacturers' sales and inventories: 2/							
Total sales, seasonally adjusted	Mil. dol.	27,711	28,480	28,638	28,215	28,003	
Durable goods	Mil. dol.	13,805	14,294	14,297	14,132	13,943	
Unfilled orders-sales ratio 6/		4.42	4.22	3.83	3.76	3.65	
Inventory-sales ratio 7/		1.89	1.83	1.89	1.92	1.93	
Durable goods		2.22	2.14	2.22	2.25	2.28	
Employment and wages: 8/							
Total civilian employment 9/	Millions	65.0	65.3	66.4	65.7	66.0	64.9
Nonagricultural 9/	do.	58.4	59.1	59.6	59.2	59.2	59.1
Unemployment 9/	do.	2.6	2.5	2.6	2.6	2.5	3.2
Workweek in manufacturing	Hours	40.4	40.5	40.0	39.9	39.5	39.2
Hourly earnings in manufacturing	Dollars	1.98	2.03	2.07	2.08	2.09	2.10
Income and spending:							
Personal income payments 2/ 3/	Bil. dol.	326.9	334.9	346.8	346.6	345.9	345.4
Consumer credit outstanding 1/	Mil. dol.	41,863	40,631	42,881	43,011	43,028	
Automobile	Mil. dol.	14,436	14,449	15,455	15,519	15,539	
Total retail sales, seasonally adj. 2/	Mil. dol.	15,811	16,212	17,030	16,919	16,714	16,619
Durable goods	Mil. dol.	5,484	5,664	5,740	5,722	5,612	5,548
Inventory-sales ratio 7/		1.51	1.45	1.42	1.44	1.45	
Prices:							
Wholesale prices, all commodities 4/	1947-49=100	114	116	118	118	118	118
Commodities other than farm and food	do.	122	124	126	126	126	126
Farm products	do.	88	88	93	91	92	92
Foods processed	do.	102	104	107	106	106	106
Consumer price index, all items 4/	1947-49=100	116	118	121	121	121	
Food	do.	112	113	118	117	116	
Prices received by farmers 10/	1910-14=100	235	234	248	245	240	242
Crops	do.	240	237	233	228	224	224
Livestock and products	do.	230	230	260	259	254	258
Prices paid, interest, taxes and wage rates 10/	1910-14=100	285	289	295	296	296	298
Family living items	do.	278	281	287	287	286	289
Production items	do.	249	252	257	258	258	260
Parity ratio 10/		82	81	84	83	81	81
Farm income and marketings: 10/							
Volume of farm marketings	1947-49=100	120	158	116	130	167	
Cash receipts from farm marketings	Mil. dol.	30,372	3,335	2,579	2,847	3,510	

1/ Federal Reserve Board. 2/ U. S. Department of Commerce. 3/ Seasonally adjusted annual rates. 4/ U. S. Department of Labor, Bureau of Labor Statistics. 5/ Data published by the Department of Commerce in the Survey of Current Business, from reports of the F. W. Dodge Corporation. 6/ Unfilled orders for durables divided by monthly deliveries. 7/ Inventories, book value, end of month, divided by sales. 8/ Bureau of the Census. 9/ Starting with January 1957, figures are not strictly comparable with earlier periods because of changes in definitions of employment and unemployment. 10/ U. S. Department of Agriculture, Agricultural Marketing Service.

Annual data for most of these items for the years 1929, 1932 and 1939-56 appear on page 31 of the April 1957 issue of The Demand and Price Situation.

THE DEMAND AND PRICE SITUATION

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about 10.9 million running bales, the smallest since 1950. Below freezing temperatures on December 12 and 13 caused widespread damage to citrus fruits and vegetables in Florida and the lower valley of Texas. Under the impact of record production crop prices have declined 8 percent since last May. Mid-November crop prices averaged 5 percent below a year earlier, but during the winter they are likely to increase from present levels and be about the same as last winter.

Cash receipts from marketings in the first 11 months of 1957 totaled 27.0 billion dollars, 2 percent less than in the same period in 1956. Receipts from livestock and products were up 5 percent, largely because of higher prices for cattle and hogs. But crop receipts were down 10 percent reflecting lower prices and substantially smaller marketings, particularly of cotton. However, Government payments so far this year are running about double the 1956 level.

Trends in October and November indicate weakening in economic activity, although gross national output in 1957 is likely to be about 5 percent above 1956. Consumer incomes, retail sales, industrial production and employment have eased in the past two months. Businessmen report a planned reduction in capital outlays of about 5 percent (after seasonal adjustment) between the fourth quarter of 1957 and the first quarter of 1958. Construction activity, however, has reached a new high for November and outlays in 1958 are expected to total 5 percent higher than 1957.

Commodity Highlights

Marketings of cattle and hogs have been delayed by the need to feed wet grain; as a result prices have temporarily strengthened. Fed cattle prices are likely to hold up well or increase in early 1958 with seasonal price declines later than usual. Prices of hogs advanced in November and early December as the normal heavy fall marketings were stretched out.

The Department of Agriculture announced on December 18 that price support levels for dairy products during the 1958-59 marketing year would be at 75 percent of parity. During the current year dairy supports are available at $3.25 a hundredweight for manufacturing milk (reflecting 83 percent of parity), and at 58.6 cents per pound for butterfat (reflecting 80 percent of parity).

Prices received by farmers for eggs in mid-November were 8 cents a dozen above a year earlier. The laying flock is smaller than in 1956 and monthly production is also down. Prices are expected to continue above year earlier levels for at least 6 months. In mid-November, average turkey prices received by farmers were 23.6 cents, up 1.3 cents from October but 2.3 cents below a year earlier.

Prices received by farmers for soybeans during the 1957 harvesting season probably will average near the support loan level. Cottonseed output is expected to be a sixth smaller than in 1956, but farm prices during the 1957-58 marketing year are likely to average near last year's level, as lower quality tends to offset the price effect of a smaller supply.

Feed grain prices this fall have dropped to the lowest level since 1943, due to both record supplies and the large percentage of high moisture corn. The latter will limit the seasonal rise in feed grain prices this winter and spring. Disappearance of feed grains this winter is expected to be heavy.

Fresh market supplies of citrus fruits are expected to be reduced as a result of below-freezing temperatures in Florida and Texas in mid-December; some increase in grower prices for good quality fruit can be expected this winter. Supplies of apples are much larger this fall than last and prices are currently averaging considerably under a year earlier.

Supplies of vegetables for fresh market this winter are likely to be somewhat lighter than usual. Indicated acreage of 13 major crops is 3 percent larger than last winter, but sub-freezing temperatures in Florida on December 12 and 13 severely damaged tender vegetables and retarded development of harder types.

The 1957 cotton crop is estimated at about 10.9 million running bales, the smallest since 1950 when 9.9 million bales were produced. The total supply for the 1957-58 season is estimated at around 22.2 million running bales. Prospective utilization and exports in 1957-58 point to another decline in carryover stocks of possibly 3 million bales from the 11.2 million on August 1, 1957.

Burley tobacco auction markets opened November 25, and through December 13 the price averaged 62.6 cents per pound, slightly below the relatively high prices in the comparable period of last year season.

Domestic mill use of apparel wool in October was 38 percent below a year earlier and mill use of carpet wool was down 26 percent.

GENERAL BUSINESS ACTIVITY

Economic activity has weakened some in recent months. However, the total value of the gross national product in 1957 is expected to be nearly 5 percent above 1956. Consumer incomes and retail sales eased a bit in November. In recent months, slight declines in industrial production, manufactures' sales, and new orders have reflected a continued stretch-out of Government procurement, leveling of capital spending and conservative inventory policies. A decline in nonfarm employment accompanied cutbacks in production, and unemployment rose to the highest level of the year. Capital spending by business firms is scheduled to decline moderately during the winter; however, construction expenditures for 1958 are expected to be 5 percent higher than this year according to estimates of the Departments of Commerce and Labor. Farm product prices on local markets inched upward in the month ended in mid-November; wholesale prices increased fractionally. Urban consumer prices were unchanged between September and October.

Gross National Output In 1957 a New Record

Gross national output in 1957 is likely to be nearly 5 percent above 1956. With the increased value due primarily to higher prices, real output has remained virtually unchanged during 1957, but higher than in 1956. In the first three quarters of 1957 the output of goods remained steady while the output of services expanded. Production of nondurable goods increased during 1957 while the output of durable goods and construction declined a little. A cautious inventory policy during 1957 has tended to reduce demand. The leveling of business capital outlays has dampened industrial construction and machinery sales, and aircraft output has been cut back by reduced Department of Defense purchases since the summer. Among consumer durables, the relatively slower rate of housing starts in 1957 has tended to weaken demand for and production of furniture and appliances during 1957. Unit automobile sales were about the same in the first nine months of 1957 as a year earlier; the gain in expenditures of almost 10 percent reflected in large part higher prices. Passenger car sales in October and November were running slightly below a year earlier.

Income of consumers in November, at an annual rate of 345.4 billion dollars, was 500 million lower than October and 1.2 billion below September, the high for the year. Wages and salaries declined further in November, as nonagricultural employment and average hours worked declined

slightly, but hourly wage rates of production workers increased to a new high in November. Government social security and veterans payments increased, and other sources of consumer income held up well in November.

Retail Sales Fell in November

Retail sales during November, according to advance reports and after adjustment for seasonal influences, totaled 16.6 billion dollars, 1 percent lower than October, but 3 percent higher than November 1956. Sales of nondurable goods stores were the same as October and up 5 percent from a year earlier. Sales of durable goods stores declined 1 percent from October and 2 percent from November 1956. The food group, drug and proprietary stores, eating and drinking places and gasoline service stations were from 5 to 13 percent higher in November than a year earlier. Sales of the apparel, automotive lumber and hardware and general merchandise groups were from 1 to 3 percent above November 1956, while the furniture and appliance group declined 8 percent in the same period. Department store sales, for the four weeks ending December 6 were 7 percent below the same period a year earlier.

Employment Eases

Employment totaled 64.9 million in November, down 1.1 million from October and a little lower than in November 1956. Declines in agricultural employment were mainly seasonal. In nonagricultural industries a seasonal contraction of outdoor activities and some cutbacks in production reduced employment, in contrast with the usual small gain in November. The number of employees in nonagricultural establishments (seasonally adjusted) declined to 52.2 million, down one-half percent from October and 1 percent from the August peak of 52.8 million workers. Manufacturing employment declined to 16.5 million, down two-third percent from October and 3 2/3 percent from a year earlier. Most of the decline in manufacturing employment in November occurred in durable goods industries. Employment in nonmanufacturing declined slightly, with construction and transportation showing the greatest drop.

Unemployment rose to 3.2 million in November, up one-half a million from a year earlier. The seasonally adjusted unemployment rate of 5.1 percent of the civilian labor force compares with 4.6 percent in October and 3.9 percent in November 1956.

In addition to the rise in unemployment, the average workweek in nonagricultural industries declined to 39.4 hours in November in comparison with 40.0 in November 1956. Weekly hours of factory production workers also declined during November. With average hourly earnings at a record level of $2.10, weekly earnings were $82.32, down 24 cents from October but up 10 cents from November 1956.

Employer hiring plans, for the period through mid-January 1958, as reported to local public employment offices, indicate that the decline in employment will be a little more than the usual seasonal amount for this time

of year. A brisk seasonal pickup until Christmas is expected for trade and Post Office employment with the usual curtailment in construction, food processing and lumber. The largest nonseasonal reduction in employment is expected in the aircraft industry as the stretch-out of military procurement continues.

Industrial Production Declines Slightly

Industrial production, seasonally adjusted, eased again in November to a level of 139 (1947-49=100), 5 percent below November 1956. Declines in aircraft, primary metals and machinery industries were in large part responsible for the drop in the durables index to 153, or 7 percent below a year earlier. Steel mills operated at 76.5 percent of capacity in November, down substantially from the 81 percent rate in October and the 100 percent rate in November 1956. The primary metals production index, at 123 in November was 16 percent below a year earlier.

The output of consumer durables rose during November as automobile production recovered following the introduction of 1958 models. In November passenger car production rose to 579 thousand units in comparison with 327 thousand in October. For the year to date production is 6 percent higher than in 1956. Production of other consumer durables declined to 109 (1947-49=100) 1 point below October 1956. Nondurable goods production after reaching a record level of 132 in September declined to 128 in November, 1 percent below November 1956.

Sales of manufacturers declined in October to a seasonally adjusted level of 28.0 billion dollars, down 700 million from a year earlier. New orders at 26.3 billion dollars were down 2½ billion from a year earlier with most of the drop in durable goods industries--especially in the primary metals, machinery, fabricated metals, and transportation equipment groups. As new orders dropped, unfilled orders declined again in October to 53.4 billion dollars, down 15 percent from a year earlier.

Manufacturers' inventory book values, after increasing throughout 1957, declined slightly in October to 54.1 billion dollars. Although the level was 2.3 billion dollars above October 1956, higher costs of replacement inventories have accounted for much of the increase in value with only a small physical accumulation.

Construction Outlays in 1958 May Reach A New High

According to estimates prepared by the Departments of Commerce and Labor, outlays for new construction for 1958 will reach a level of 49.6 billion dollars, 5 percent above the indicated level of 47.2 billion dollars for 1957. Physical volume of work put in place anticipated for 1958 would be up a little from 1957 and exceeded only by 1955. Most of the increase is expected from expanded residential building and highway construction.

Public and private outlays for residential building are expected to increase around 8 percent in 1958. A sharp rise in public housing, chiefly for the Armed Forces, a 6 percent increase in private nonfarm dwelling units and an expansion in additions and alterations are in prospect for next year. Some easing in the mortgage market is expected in part because of increased savings and a slackening of demand for funds by business for new capital programs. Accordingly, private nonfarm housing starts in 1958 are indicated at 1,050,000 units; this compares with nearly 1 million units indicated for 1957.

Highway work probably will advance by around 14 percent in 1958, with most of the indicated gain concentrated on the federally financed interstate highway system authorized under the Highway Act of 1956. Outlays on this network are expected to expand from 250 million dollars this year to 850 million dollars in 1958. Larger outlays are also expected for school buildings, hospitals and administrative and service buildings. Public construction of 14.9 billion dollars in 1958, up nearly a billion dollars, will be almost entirely for State and local Government projects.

Private nonresidential building construction, for the first time in 6 years, is not expected to increase over previous years, due mainly a decline in industrial construction. Construction of office buildings, warehouses, private hospitals and schools are expected to continue to expand in 1958. Stores, restaurants, garages and farm construction will likely remain around 1957 levels. Public utilities, however, will increase spending for construction of new facilities by 6 percent, about one half the rate of increase which took place in 1957. Electric power and gas facilities will increase more than 10 percent while construction of railroad and telephone facilities will decline by about the same amount.

Construction outlays for November were 4.1 billion dollars, 4 percent above November 1956. Both public and private construction were at new highs for the month. New private nonfarm housing starts were at an annual rate of 1,010,000 units and spending on new dwellings continued to show more than seasonal strength. Construction of public utility facilities, hospitals and institutional buildings, seasonally adjusted, reached a new high in November.

Capital Spending by Business to Decline Moderately This Winter

Capital outlays for new plant and equipment are expected to total 35.5 billion dollars (seasonally adjusted at annual rates) during the January-March quarter of 1958, 5 percent below the 37.5 billion dollars estimated for the last quarter of 1957, according to the November survey made public jointly by the Securities and Exchange Commission and the Department of Commerce. Capital spending in manufacturing in the first quarter of 1958 is expected to decling nearly 7½ percent from the last quarter of 1957. Both durable and

Table 1.--New construction outlays 1956, 1957, and outlook for 1958

Type of construction	Value (in millions of dollars)			Percent Change	
	1956	1957 est.	1958 est.	1956-57	1957-58
Total new construction	46,060	47,200	49,600	+ 2	+ 5
Private construction	33,242	33,300	34,700	1/	+ 4
Residential buildings (nonfarm)	17,632	16,530	17,575	- 6	+ 6
Nonresidential buildings (nonfarm)	8,817	9,155	9,150	+ 4	1/
Industrial	3,084	3,170	2,875	+ 3	- 9
Commercial	3,631	3,585	3,775	- 1	+ 5
Other nonresidential buildings	2,102	2,400	2,500	+ 14	+ 4
Farm construction	1,560	1,600	1,600	+ 3	0
Public utilities	5,113	5,825	6,150	+ 14	+ 6
Other private	120	190	225	+ 58	+ 18
Public Construction	12,818	13,900	14,900	+ 8	+ 7
Residential buildings	292	505	850	+ 73	+ 68
Nonresidential buildings	4,072	4,470	4,710	+ 10	+ 5
Military facilities	1,395	1,275	1,100	- 9	- 14
Highways	4,470	4,825	5,500	+ 8	+ 14
Sewer and water systems	1,275	1,345	1,270	+ 5	- 6
Public service enterprises	384	395	400	+ 3	+ 1
Conservation and development	826	965	950	+ 17	- 2
Other public	104	120	120	+ 15	0

1/ Less than one-half of 1 percent.

Department of Labor and Department of Commerce.

nondurable goods industries are expected to decline. Railroads are expected to cut capital spending 5 percent, while other transportation industries are now scheduling nearly a 10 percent drop. Small declines are now in prospect for mining, public utilities, and the commercial and other group through the winter of 1958 (table 2).

Table 2.--Expenditures on new plant and equipment by quarters for 1957 and 1958, seasonally adjusted at annual rates

Item	1957					1958
	Jan.-Mar.	Apr.-June	July-Sept.	Oct.-Dec. 1/	Year 1/	Jan.-Mar. 1/
	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.
Manufacturing	16.12	16.25	16.37	16.16	16.05	14.96
Durable goods industries	8.09	8.31	8.23	7.93	8.05	7.27
Nondurable goods industries	8.03	7.94	8.14	8.23	8.00	7.69
Mining	1.35	1.28	1.24	1.20	1.25	1.16
Railroad	1.42	1.35	1.54	1.22	1.39	1.16
Transportation other than rail	1.52	1.82	1.81	2.03	1.80	1.82
Public utilities	5.72	5.93	6.64	6.62	6.28	6.48
Commercial and other 2/	10.76	10.40	10.15	10.24	10.26	9.94
Total	36.89	37.03	37.75	37.47	37.03	35.52

1/ Estimates based on anticipated capital expenditures as reported by business in late October and November 1957.
2/ Includes trade, service, finance and construction.

Securities and Exchange Commission and the Department of Commerce.

Wholesale and Urban Consumer Prices Steady

Wholesale prices in November increased fractionally above October to 118.0 (1947-49=100). Farm product prices rose from October to November reflecting higher prices for meat animals, eggs, dairy products and vegetables. Processed food prices were up nearly 1 percent during the last month. Prices of industrial products at 125.7, declined slightly from the level in October.

Urban consumer prices remained unchanged between September and October 1957, at 121.1 percent of the 1947-49 average. This was the first month since August 1956 in which prices had not advanced. Lower food prices offset advances by other nondurable commodities and services while durable goods prices were unchanged. Food prices were slightly lower as prices of meat and fresh fruit declined under pressure of ample supplies. All the other components of the index--housing, apparel, transportation, medical and personal care, and reading and recreation--continued to advance between September and October.

Prices Received and Paid Up,
Parity Ratio Unchanged

Prices paid by farmers for commodities and services, including interest, taxes and wage rates, increased to 298 (1910-14=100) during the month ended November 15, a new high and nearly 1 percent above October. Both the family living and farm production indexes were higher than a month earlier. Except for building materials, family living items generally advanced. Food and tobacco prices averaged a little higher while clothing and automobiles were up the most. The index of farm production items also increased nearly 1 percent from October. A moderate decline in feed prices was more than offset by higher prices paid for motor vehicles and supplies, and feeder livestock.

Prices received by farmers advanced almost 1 percent in the month ending in mid-November to 242 (1910-14=100), 3 percent above a year earlier. The livestock and products index rose more than 1 percent over the month while crop prices remained unchanged. All meat animal prices rose except for hogs which continued to decline seasonally to mid-November. Dairy product prices averaged slightly higher due to higher prices for wholesale milk. Egg and poultry prices rose more than 4 percent: the index reached 188, the highest since January 1956. Egg prices moved up contraseasonally in response to smaller production. Turkey prices advanced seasonally and chicken prices remained unchanged. Commercial vegetable prices rose 9 percent during the month and potatoes, sweetpotatoes, and dry edible beans were up 6 percent. Cotton prices declined because marketings were of lower quality due to continued wet weather. Feed grain prices averaged lower as corn dropped 5 cents a bushel.

With increases in both prices received and prices paid, the parity ratio held steady at 81, the same as in November 1956.

AGRICULTURAL EXPORTS

Agricultural exports during July-October 1957 were valued at 1,336 million dollars, 5 percent below the corresponding period in 1956. But exports were higher relative to most years.

Compared with July-October 1956 higher export values were recorded for tobacco, corn, soybeans, flaxseed and linseed oil; most livestock products, fruit and vegetables registered small changes. Declines took place in exports of wheat, rice, cotton, soybean and cottonseed oils, barley, oats, sorghum grains and feeds.

If the current rate of export is maintained, exports for 1957 may set a new calendar year record of 4.5 billion dollars. This figure assumes that exports during July-December will total somewhat in excess of 2 billion dollars or about 10 percent below July-December 1956.

During recent years, underdeveloped countries have been taking an increasing share of U. S. agricultural exports. This reflects the new regional emphasis of U. S. foreign aid programs, and the need and eligibility of such countries to make purchases with their own currencies under Title 1 of

Public Law 480. During 1956-57, 20 such countries received 85 percent or more of their imports of farm products from this country under special U. S. Government export programs (foreign currency sales, donations, barter or credit.) Exports to these 20 countries totaled 22 percent of our farm exports in that year. An additional 11 percent of farm exports were to countries utilizing these programs for over two-thirds of their agricultural imports from the United States.

Table 3.--Agricultural exports July-October

Commodity 1/	1956	1957	Change from 1956 to 1957
	Mil. dol.	Mil. dol.	Percent
Cotton	257	242	-9
Tobacco, leaf	141	160	13
Wheat and flour	267	231	-13
Rice, milled	59	32	-46
Feed grains	111	116	5
Oilseeds	46	88	110
Vegetable oils, fats and waxes	72	50	-31
Lard and tallow	57	53	-7
Dairy products	55	53	-4
Meat and meat products	32	30	-6
Fruits, all forms	85	89	5
Vegetables, all forms	44	39	-11
Feeds and fodders	24	15	-37
All other	156	138	-12
Total	1,406	1,336	-5

1/ Commodity data exclude foreign donations under Title III of P. L. 480. These are included under "all other."

FARM INCOME

Farmers received about 27.0 billion dollars from marketings in the first 11 months of 1957, 2 percent less than in the corresponding period last year. Prices averaged 3 percent above last year, but the volume of marketings was smaller. Receipts from livestock and products of 15.7 billion dollars were up 5 percent from 1956, largely because of higher prices for cattle and hogs. Crop receipts were down 10 percent, however, to approximately 11.3 billion dollars. Receipts from cotton were down about a third because of smaller marketings. Potatoes were also down substantially, reflecting lower prices, and tobacco receipts were smaller despite slightly higher average prices.

Total cash receipts in November were about 3.2 billion dollars, 5 percent less than November 1956. Prices averaged 3 percent higher than a year ago but marketings were smaller. Livestock and product receipts of 1.5 billion dollars were 4 percent above last year because of higher prices. But crop receipts of about 1.7 billion dollars were 13 percent below a year ago, largely due to smaller marketings of cotton and tobacco.

Government payments for the full year 1957 will be close to 1.0 billion dollars compared with 554 million dollars in 1956. The increase is due to substantially larger Soil Bank payments this year.

LIVESTOCK AND MEAT

Corn and grain sorghums were harvested late and much of both crops is so wet as to require early feeding. The result has been to delay marketings and afford some temporary price strength to both fed cattle and hogs. These conditions probably will lead to larger marketings at heavy weights later.

Market supplies of fed cattle may be relatively small early in 1958 but will increase later. Prices accordingly are expected to hold up well or increase during the winter, then to decline seasonally in the spring. If feeders feed beyond normal market weights, heavy cattle may at times be subject to considerable price discounts.

As hog marketings were stretched out, November slaughter dropped to around 15 percent below a year earlier. Prices advanced in contrast with their normal decline at that season. Average weights of hogs marketed climbed, and in early December they were 3 to 4 pounds above a year before. After January 1 marketings will be substantially above their rather small volume of early 1957, and weights will be up. Prices may weaken. The normal mid-winter price advance will probably be postponed until later than usual. Discounts for heavy weight, which in early December were not excessive, will doubtless widen.

Sheep and lamb slaughter in commercial plants during the first 10 months of 1957 was 6 percent smaller than the corresponding months of 1956. As the lamb crop was only 3 percent smaller, a considerable number of lambs remained for slaughter, for feeding, or for adding to breeding flocks. Some will move directly to slaughter. Those placed on feed will, like cattle and hogs, face the prospect of price penalties for heavy weight. The numbers placed in breeding flocks is not expected to be unusually large and will center in those States recovering from the severe drought that ended in early 1957. Price movements for market lambs could be rather erratic this winter but prices should average a little above present prices and those of last winter.

Based on reports of federally inspected plants, cow slaughter averaged above a year before through July. Since August it has been about 20 percent below a year earlier. While this reduction was too late to halt the decline in breeding herds during 1957, it could be the beginning of a withholding trend that will become more prominent in 1958.

DAIRY PRODUCTS

Prices to farmers for milk are averaging a little higher this year than last as a result of small increases for both manufacturing and fluid milk. Until April 1, 1958, prices to farmers probably will be around present levels except for seasonal declines. The support level for the marketing year to start April 1 will be at levels which reflect 75 percent of the parity price of manufacturing milk and butterfat at the beginning of the marketing year. Dairy supports for this marketing year reflects 83 percent of parity for manufacturing milk and 80 percent for butterfat.

Retail prices for each manufactured dairy item, as well as for fluid milk, have been above a year earlier. But with a steady consumer demand, consumption per person of dairy products as a group will total about the same for 1957 as for 1956.

The number of milk cows on farms has continued below a year earlier in 1957. But with new record highs being set in output per cow, total milk flow also has been at record high levels. For 1957, milk production probably will reach 127 billion pounds compared with 125.7 billion in 1956. With favorable milk-feed price relationships and record large supplies of feed concentrates and hay, milk production very likely will continue at a record level through 1958.

The milk equivalent of CCC purchases for price support was above a year earlier from April 1 through November 30 by about 800 million pounds, or 20 percent. If purchases the rest of this marketing year continue this far above a year earlier, the total for 1957-58 would be about 6 billion pounds, milk equivalent--about 5 percent of production compared with 4 percent last year. Sales of butter to CCC in September-November were larger than in the same period of 1956, as a result of higher butter production, and prices not rise as much above support levels this year as last. Purchases of nonfat dry milk hold near last year's record high, when about 800 million pounds were bought for the marketing year as a whole.

POULTRY AND EGGS

Egg prices to early December had declined from mid-November levels, when prices received by farmers were at the peak of the year. The average price received by farmers was 45.3 cents per dozen in mid-November, 8.1 cents above a year earlier. Egg prices are likely to continue above a year earlier for at least 6 months. Prices thereafter will be influenced by production from pullets raised in the spring of 1958.

The December 1 laying flock is 5 percent smaller than a year earlier and includes a larger than usual proportion of hens, with a correspondingly reduced proportion of pullets. This flock laid 6 percent fewer eggs in November 1957 than in November 1956. Monthly production until mid-1958 is likely to continue lower than a year earlier.

Somewhat more pullets will be raised for laying flock replacement in 1958 than the 50-year record-low raised in 1957. However, the hen-pullet composition of the present laying flock indicates the number of hens to be available next fall for a second laying year will be small. About 5 percent more pullets than in 1957 could be added to the laying flock without increasing its size. Such a flock, however, would lay slightly more eggs than a year earlier, because of the higher proportion of pullets and the likely resumption of the trend toward year-to-year increases in rate of lay per bird.

Broiler prices have varied considerably since October but have averaged at the lowest level of the year to date. The mid-November U. S. average price of 17.1 cents was 0.3 cents higher than November 1956. Present production is about 10 percent higher than last year.

Turkey prices have strengthened since early November, but have not risen to year-ago levels. The mid-November U. S. average farm price of 23.6 cents was up 1.3 cents from a month earlier, compared with the average of 25.9 cents in both October and November 1956. The present record storage stocks of turkeys are weighted more heavily than usual with toms, while the supply of hens probably is less than at this time last year.

FATS, OILS AND OILSEEDS

Lard prices weakened during November, partly reflecting relatively slow export demand. Prices (tanks, loose, Chicago) averaged 11.2 cents per pound compared with 11.9 cents the previous month and 12.6 cents in November 1956. Lard prices through most of the 1957-58 marketing year probably will remain under a year earlier as slaughter of heavier hogs gathers momentum. The number of hogs slaughtered in November was still less than a year earlier but average weight was a little higher.

Hog slaughter in early 1958 will be above 1957 due to delayed marketings. Slaughter weights and lard yields also will be up. Also adding to lard yields in 1958 will be the usual tendency by packers to trim more fat from pork cuts as hog slaughter rises.

The 1957 soybean crop is estimated at 480 million bushels, about 30 million above last year. Soybean prices in November averaged $2.04 per bushel, about equal to the national support loan level and 23 cents below a year earlier. Farm prices during most of the 1957 harvesting season probably will average near the loan level as the support tends to set a floor under the market. The proportion of the crop marketed early in the season was smaller than usual because of the late harvest and the tendency for producers to hold beans. This will mean larger marketings later which will tend to limit any seasonal upswing in soybean prices. The upswing will be small unless the fats and oils picture changes greatly. The 1957-58 season average price received by farmers for soybeans is estimated at $2.09 per bushel compared with $2.18 last year. Indications are that soybean oil prices during the 1957-58 marketing year will average somewhat less than a year earlier.

Soybean oil prices in early December were about 20 percent less than last year and meal prices were down 8 percent; soybean meal prices are the lowest since the World War II period when price controls were in effect. Exports of soybeans continue heavy. Soybeans inspected for export (including shipments to Canada) from October 1 through December 13 totaled 33 million bushels, 1 million more than a year ago. Soybean crushings in October totaled 28 million bushels, the largest monthly crush since last March. Preliminary reports point to continued large crushings in November.

Because prospective soybean supplies in 1957-58 are in excess of probable uses, soybeans going under support will be heavy and CCC acquisitions are likely to be substantial. Most of the soybean carryover next October 1 is likely to be in the hands of CCC.

The USDA announced on December 11 the sales policy for 1957 crop soybeans taken over following the May 31, 1958 maturity date for price support loans and purchase agreements. CCC-owned soybeans will be sold for domestic crushing or for export at the higher of the domestic market price or the 1957 basic loan rate at point of production for grade No. 2 soybeans plus 1.5 cents per bushel carrying charges for each month or part of a month beginning June 1, 1958, and also plus an announced "quality adjustment factor." This factor will be announced prior to May 31, 1958.

This sales policy will continue in effect until October 1, 1958 when a reappraisal of the soybean situation will be made.

Estimated production of 1957 crop cotton and cottonseed was revised downward in December. Cottonseed output is now placed at 4.5 million tons, about 16 percent less than a year ago and the smallest since 1950. The 1957-58 season average price received by farmers is estimated at $50.90 per ton, $2.50 below last year but well above support. Lower quality this year is a factor tending to offset the price effect of the smaller supply.

Cottonseed oil prices this fall and winter probably will average near a year earlier level. They are being maintained by reduced supplies, a relatively strong domestic demand for cotton oil, and a continuing strong demand for cottonseed oil from Northern Europe. Large supplies of competitive soybean oil at lower prices, however, will tend to limit any significant rise in cotton oil prices.

The 1957 flaxseed crop is now placed at just under 26 million bushels, compared with 48 million last year. Domestic flaxseed and linseed oil supplies are tight for the current marketing year. Prices of both commodities have moved up sharply since the beginning of the year and will remain substantially above last year.

FEED

Influenced by record supplies and the large percentage of high moisture corn, feed grain prices this fall dropped to the lowest level since 1943. Average prices received by farmers declined 13 percent from August to November, when they were 16 percent lower than a year earlier. Hay prices this season also have been at a postwar low, and the index of high protein feed prices in November dropped slightly below the previous postwar low reached in 1956.

The seasonal decline in corn prices this fall came much later than in 1956, reflecting the lateness in harvesting the 1957 crop. The mid-November average price received by farmers for corn dropped to $1.01 per bushel, 20 cents lower than a year earlier and the lowest since World War II. This was substantially below the national average support of $1.40 per bushel to farmers complying with acreage allotments and moderately below the $1.10 support to noncomplying producers. The price of No. 3 Yellow corn at Chicago declined to a weekly average of $1.14 per bushel for the week ended November 29, the lowest so far this season. Corn prices strengthened in early December averaging $1.17 per bushel for the first half of the month, 20 cents lower than a year earlier. Much of high moisture corn and sorghum grains on farms will have to be disposed of this winter and spring in order to avoid unnecessary spoilage. This will continue to limit the seasonal rise in feed grain prices and probably reduce the quantities of feed grains eligible for CCC price support.

The total supply of feed grains and other concentrates for 1957-58 is estimated at 217 million tons on the basis of December crop report, 8 percent higher than in 1956-57 and 25 percent above the 1950-54 average. Supplies of corn, barley and sorghum grains for 1957-58 set new records, while the oats supply was about average. As a result of the lower quality corn and sorghum grains and generally favorable livestock-feed price ratios, disappearance of feed grains in 1957-58 is expected to be comparatively heavy, especially during the fall and winter months. But with the record supply available after allowing for heavier domestic disappearance and continued heavy exports, the carryover into 1958-59 is expected to be around 25 percent above the 47 million tons carried over this year.

The Department of Agriculture announced on November 27 an allotment of 38,818,381 acres for the 1958 corn crop in the commercial corn area, 1,529,492 acres more than the allotment for the 1957 area. The 1958 area includes 932 counties, 38 more than in 1957. Most of the increase in the allotment will be absorbed by the new areas included in the 1958 commercial area. Allotments to individual counties and farms will not be changed greatly from 1957, except as they are adjusted for acreage trends, crop rotations and other factors.

WHEAT

Cash wheat prices were at or near the high for the season on December 10. Since that time prices have declined around 4 cents, reflecting limited export demand and a very slow bakery and family flour market.

On December 10 prices were as follows: No. 1 Soft White at Portland, $2.29, 11 cents above the effective loan; No. 1 Dark Northern Spring, ordinary protein, at Minneapolis, $2.31 at the effective loan and No. 2 Soft Red Winter at St. Louis, $2,23, 3 cents below the effective loan. The price of $2.13 for No. 2 Hard Red Winter, ordinary protein, at Kansas City, however, was 13 cents below the effective loan. The price of the latter is relatively lower than the other classes of wheat because of very large supplies. Prices on December 10 were generally 4 to 14 cents above the low for the season to date. Compared with a year earlier, prices at Minneapolis were 3 cents lower, while those at St. Louis, Portland and Kansas City, were 18 cents, 19 cents and 19 cents, respectively, below a year earlier.

In mid-November, prices received by farmers for wheat averaged $1.93 compared with $1.92 in mid-October, $1.90 in mid-September and $2.05 in mid-November of 1956. Terminal market prices on December 18 were slightly below those in mid-November.

Through November 15, growers had placed 176.2 million bushels of 1957-crop wheat under price support loan and purchase agreements, compared with 219.2 million bushels of 1956--crop wheat put under support through November 15, 1956 from the 1956 crop. During the 30-day period October 15 to November 15, farmers put 22.9 million bushels of 1957-crop wheat under support, compared with 21.4 million bushels in the same period a year earlier. About 2.7 million bushels of 1957-crop wheat had been withdrawn from support by October 15, 1957 compared with 15.8 million bushels by the same date in 1956.

Supplies of wheat for the marketing year which began July 1, 1957 total 1,863 million bushels, 183 million bushels less than the record large supplies last year. They are also below 1955-56 and 1954-55, but above any previous year. Total supplies include the carryover of 908 million bushels, the crop estimated at 947 million bushels and probable imports of about 8 million bushels.

Domestic disappearance for 1957-58 is estimated at about 592 million bushels, slightly above that in the past year. Assuming exports of about 400 million bushels, which are very large but sharply below the all-time record of 549 million bushels in 1956-57, the carryover July 1, 1958 would total about 870 million bushels. This would be about 35 million bushels below the 908 million on July 1 this year.

RICE

On November 20, the Acting Secretary of Agriculture determined that the "certificate" or "two-price" marketing program authorized by the Agricultural Act of 1956 will not be in effect for the 1958 crop. At the same time, he announced the 1958 crop acreage allotment, marketing quota and price support programs. The national acreage allotment was proclaimed at 1,652,596 acres,

the minimum permitted by law and the same as that for the 1956 and 1957 crops. The minimum national average support price was announced at $4.33 per cwt. This reflects 75 percent of parity and compares with $4.72 per cwt. for the 1957 crop, which was 82 percent of parity.

Rice growers, according to the preliminary report approved marketing quotas for the 1958 rice crop by a favorable vote of 91 percent in the referendum which was held on December 10. This is the same percentage as last year.

About 1,460 thousand acres may be harvested in 1958, assuming that underplanting and abandonment total about 40 thousand acres, and that about 150 thousand acres are placed in the Soil Bank. If yields are 31.41 cwt. per harvested acre, the 1955-57 average, a crop of 45.9 million cwt. would be produced. With domestic disappearance for 1958-59 estimated at 27.4 million cwt., a crop of this size would require exports in excess of about 18.5 million cwt. in order to have a reduction in the carryover on August 1, 1959. Exports in 1958-59 cannot be predicted at this time. In 1957-58 they are expected to total about 19 million cwt., which is slightly below the 1951-55 average, and sharply below the record large exports of 37.7 million cwt. in 1956.

FRUIT

Fresh market supplies of citrus fruits are expected to be reduced somewhat this winter from earlier prospects as a result of below-freezing temperatures in Florida and Texas in mid-December. The extent of the losses caused by the freeze cannot be determined with precision. Favorable growing conditions the next few weeks and ability to dispose of damaged fruit could reduce monetary losses. In Florida, loss of fruit is expected to be heavy in tangerines and temple oranges. Losses of grapefruit are expected to be minor. But there was some leaf burn to both grapefruit and orange trees, and some young orange trees in low lying areas may be lost. In Texas, some loss of citrus fruit in low lying areas is expected, but the general appearance of trees was reported good. With the prospective reduction in supplies of citrus, some increase in grower prices of good quality fruit, especially tangerines and oranges, can be expected this winter.

Shipping-point prices for Florida grapefruit from the smaller 1957-58 crop held fairly steady during November and early December at levels a little under this period in 1956. Although prices may continue steady in January, they may increase later in the winter. Remaining supplies of grapefruit are lighter than a year ago, partly the result of heavier early-season movement this year than last.

Utilization of new-crop Florida oranges and grapefruit for fresh market shipment and for processing was considerably heavier by December 7, 1957 than that by this date in 1956. Output of both canned and frozen citrus juices is up considerably from a year ago. Movement of Florida canned citrus juices and frozen orange concentrate is up sharply this fall over a year earlier. On

December 1, Florida packers' stocks of canned single-strength grapefruit juice was considerably larger than a year earlier and those of blended juice were up moderately. But stocks of canned single-strength orange juice and frozen orange concentrate were down moderately.

With supplies of apples much larger this fall than last, prices at important shipping points in November and early December averaged considerably under a year earlier. Prices at some points tended to rise, perhaps because of larger sales of higher quality fruit from storage. Stocks of apples in cold storage on December 1, 1957, according to the Cold Storage Report of the USDA, were about 45 million bushels, much larger than a year earlier.

Cold-storage stocks of pears on December 1, 1957 were about 3 million bushels, slightly larger than a year earlier. In early December, prices for Western D'Anjou pears on the principal auctions averaged somewhat under a year earlier. Prices for the Bosc variety averaged about the same as a year earlier.

Stocks of grapes in cold storage on December 1 were about 15 percent larger than a year earlier. Most of these grapes were of the Emperor variety, of which the marketing season usually extends into late winter or early spring. Prices for this variety at shipping points in California in early December averaged somewhat under a year earlier.

COMMERCIAL VEGETABLES

For Fresh Market

Supplies of vegetables for fresh market are likely to be somewhat lighter this winter than usual. Acreage estimates are now available for 13 crops which typically make up more than four-fifths of the total tonnage of winter vegetables. In early December, aggregate reported acreage of these crops was 3 percent larger than last winter, and indications were that production would be substantially larger than the relatively light supplies of last winter. However, sub-freezing temperatures in Florida on December 12 and 13, severly damaged tender vegetables thus lowering production prospects. The cold also resulted in some damage and retarded development of hardier types. The full extent of overall damage and loss is not yet known.

Imports of winter vegetables from Mexico and Cuba may total about the same as in the winter of 1957. Demand for fresh vegetables is expected to continue strong. Thus, prices received by farmers compared with a year earlier will depend largely on the volume produced and the pattern of maturity and harvest.

For Processing

Supplies of canned vegetables available into mid-1958 appear to be a little smaller than the heavy supplies of a year earlier, but supplies of frozen vegetables continue their upward trend and are at record levels. Stocks of all frozen vegetables on December 1 amounted to almost 967 million pounds compared with 905 million pounds a year earlier. Biggest increases over a year ago were in mixed peas and carrots, other mixed vegetables, and french fried potatoes. But holdings were as large or larger than a year earlier for all other items, except broccoli and cauliflower.

Among major canned items, tomatoes, tomato juices and most tomato products are expected to be down materially from a year earlier, but still above the 1949-55 average. Supplies of snap beans, corn and peas are near record levels.

With smaller supplies of canned vegetables available and higher processing and distribution costs, both wholesale and retail prices of most canned and frozen items are expected to be a little higher this winter than last.

POTATOES AND SWEETPOTATOES

Supplies of potatoes this winter promise to be moderately smaller than the burdensome supplies of last winter. Production of fall crop potatoes in 1957 was estimated at 154 million hundredweight, about 12 million hundredweight less than in 1956. Stocks of potatoes on hand on January 1 are expected to be smaller than the relatively large stocks of January 1, 1957. Further, indicated production for winter harvest is down moderately from the high level of last winter. With smaller supplies in prospect this winter, prices both at the farm and retail level are expected to average somewhat higher than the low levels of a year earlier.

Demand for sweetpotatoes is expected to be about the same this winter as last. With smaller supplies in most areas where facilities for storage are satisfactory, prices this winter are expected to average at least moderately above those of a year earlier.

DRY BEANS AND PEAS

Materially fewer dry edible beans are available than a year ago, but overall supplies appear ample to meet domestic and anticipated export demand. With smaller supplies and the same national support rate, prices received by farmers this winter are expected to average moderately to substantially above those of a year earlier. However, Pintos appear to be in burdensome supply.

Although smaller than a year ago, supplies of dry field peas are still in excess of anticipated domestic and export demand, and are weighing heavily on the market. Prices received by farmers in mid-November averaged only $3.10 per hundredweight, much lower than the 1952-56 average. Barring an unexpectedly large export demand, prices through the winter are expected to continue at relatively low levels.

COTTON

The supply of cotton in the United States for the 1957-58 season is estimated at about 22.2 million running bales. This includes a starting carryover of 11.2 million, the 1957 crop of about 10.9 million, and estimated imports of about .1 million bales.

The 1957 crop is the smallest since 1950 when 9.9 million running bales were produced. The decline was caused by a small harvested acreage of about 13.6 million acres and a yield per acre which was about 23 pounds below the average of 413 pounds for the past 2 crops. The acreage reserve program took about 3 million acres out of production, and the relatively low yield was caused by bad weather.

With disappearance estimated at about 14 million bales, including exports of about 5.5 million and domestic mill consumption close to last year's 8.6 million, the carryover on August 1, 1958 probably will be around 8.2 million bales. This would be the smallest carryover since 1953 and about 3.0 and 6.3 million bales smaller than the carryover of a year and 2 years earlier, respectively.

Prices of cotton have moved upward rather steadily since the latter half of September, and on December 11 the average 14 spot price for Middling 1-inch cotton was 34.98 cents per pound. This compares with the low for the season to date of 33.18 cents on September 20, 33.17 cents a year earlier, and with a high in the 1956-57 season of 34.08 cents on July 18, 1957.

Stocks held by the Commodity Credit Corporation (owned and held as collateral against outstanding loans and excluding stocks sold for export) were about 5.1 million bales on December 6. These were the smallest stocks held by the CCC since September 1953. A year earlier the Corporation held about 9.8 million bales.

Exports of cotton from August 1 through October were about 1.2 million bales, a decline from the 1.5 million for the same period a year earlier but larger than exports for this period in any other year since 1939. Exports during October of about 484,000 bales compare with 598,000 a year earlier, but they were larger in this month than in any other October since 1951.

The average daily rate of domestic mill consumption from August 4 through November 2 was about 33,000 bales. This compares with about the same rate for the entire 1956-57 season and with an average rate of about 34,400 for the same period a year earlier. In other words, the rate of mill consumption during the months following October 1956 declined more than seasonally.

WOOL

The decline in wool prices in foreign markets which started last May continued into December. Mid-December prices for most merino wools ranged between 5 and 15 cents per pound, clean, below a month earlier, and prices of crossbred wools ranged from about the same as to about 5 cents below a month earlier. Prices of merinos were 30 to 40 cents lower than a year earlier and 40 to 50 cents lower than the peak levels of May of this year. Prices of crossbreds were 15 to 25 cents lower than a year earlier and 30 to 40 cents lower than in May.

Boston quotations for domestic wools also have declined but the declines from the peak levels earlier this year have been less than the declines abroad. Consequently, the differential between Boston quotations for domestic wools and prices in foreign markets has been somewhat wider than the average for recent years. Early December quotations for most domestic wools were the same as a month earlier. They ranged from the same as to 12.5 cents per pound, clean, lower than a year earlier. The declines from the peak levels of earlier this year were as much as 27.5 cents.

The monthly average of prices received by domestic growers for shorn wool has declined each month since June. The average for November was 8.9 cents per pound, grease basis, lower than that for June. It was 1 cent higher than that of November 1956.

Commodity Credit Corporation sold 5.6 million pounds, actual weight, of wool, during the first 2 weeks of December. These sales completed the disposal of the 149 million pounds in inventory in November 1955 when the competitive bid sales program went into effect.

During the first three quarters of this year consumption of wool in the 11 countries which report to the Commonwealth Economic Committee totaled about 5 percent higher than for the corresponding period of 1956. Consumption increased in all reporting countries except the United States and Canada. Mill use of other materials by the wool textile industries of these countries was up 6 percent with increases for all countries except the United States and Japan. During the third quarter of this year, use of wool was about 3 percent above a year earlier. Each country reported gains except the United States, Netherlands, Canada, and Sweden. Use of other materials was up 7 percent in the third quarter, with increases for all except Japan and Belgium.

The average weekly rate of apparel wool consumption by woolen and worsted mills in the United States during January-October was 16 percent below last year. The October rate was 38 percent below a year earlier. Use of other fiber in worsted combing and in woolen spinning of yarn other than carpet during January-October was down only 4 percent, with use of manmade fiber up 15 percent and use of reused and reprocessed wool and other fiber down 11 percent.

Domestic mill use of carpet wool is also down from last year. The decline for the first ten months was about 9 percent. The October rate was 26 percent below last year. But use of other fiber in the spinning of carpet and rug yarn by woolen mills during January-October was about the same as last year, with use of manmade fiber down 4 percent and use of reused and reprocessed wool and other fiber up 5 percent.

Historically, mill use of both apparel and carpet wool in the United States has shown a pronounced cyclical pattern, with cycle varying considerably in amplitude and duration. Mill use entered the downward phase of the cycle early in the summer of last year.

United States imports of dutiable wool for consumption during January-September were down about 25 percent from 1956. The decline in the quantity imported was somewhat less than the drop in the quantity of apparel wool consumed.

In the first three quarters, imports of duty-free wool for consumption during the same months were down about 13 percent from last year. The quantity imported for consumption was less than the quantity of carpet wool consumed during the same months. Furthermore, compared with the first three quarters of 1956 the decline in imports for consumption was considerably greater than the decline in consumption.

TOBACCO

Burley auction markets opened November 25, and through December 13 the volume marketed was 367 million pounds--averaging 62.6 cents per pound. This was only slightly below the comparatively high price average in the comparable period of last season. Deliveries for Government loans were a little over 1 percent of gross sales (includes resales). Last season also, the quantity placed under loan was very little in contrast to most previous postwar years. Burley supplies are a little lower than last year; though carryover is almost as much as a year ago, the crop is estimated to be down about 5 percent.

The Virginia fire-cured auction market opened on December 2 and through mid-December, prices averaged 39.2 cents per pound compared with 40.2 cents last season. Markets for Kentucky-Tennessee fire-cured types are expected to begin in January.

The dark air-cured type 35 (one Sucker) auction market opened December 2, and through mid-December averaged 36.0 cents per pound compared with 35.3 cents in the early weeks of last season. The auctions for dark air-cured type 36 (Green River) and Virginia sun-cured type 37 opened on December 10. Average prices for the first few days for type 36 were moderately higher but for type 37, were a little lower compared with a year ago.

This year's production of fire-cured and dark air-cured (including sun-cured) tobacco is more than one-fifth lower than last year. Carryovers of most of these types are large and substantial quantities are being carried in Government loan stocks.

The auctioning of the 1957 crop flue-cured is completed and the overall season average price at 55 cents per pound for gross sales is 7 percent above last season's and tops the record 1950 average of 54.7 cents per pound.

The 1958 national flue-cured tobacco allotment was announced on November 25 at practically the same level as for 1957. Farm allotments in nearly all instances will continue the same as in the past year. The flue-cured variety discount program also will continue in effect. Prices for the 1958 crop of flue-cured varieties, Coker 139, Coker 140, and Dixie Bright 244, will be supported at one-half the support rates for comparable grades of other varieties.

Calendar year 1957 output of cigarettes is expected to reach a new high. Output of smoking tobacco will be close to a year ago, but, that of chewing tobacco and snuff will fall below last year. Output of cigars this year will be up a little from last year.

Exports of leaf tobacco in calendar 1957 are estimated to be 3 or 4 percent lower than in 1956. However, exports of flue-cured, the principal export tobacco, during August-October were a little above a year earlier despite the much smaller 1957 crop.

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